

ANNUAL FUNDING NOTICE

For GRAPHIC ARTS INDUSTRY JOINT PENSION TRUST

Introduction

This notice includes important information about the funding status of your multiemployer pension plan (the "Plan"). It also includes general information about the benefit payments guaranteed by the Pension Benefit Guaranty Corporation ("PBGC"), a federal insurance agency. All traditional pension plans (called "defined benefit pension plans") must provide this notice every year regardless of their funding status. This notice does not mean that the Plan is terminating. It is provided for informational purposes and you are not required to respond in any way. This notice is required by federal law. This notice is for the plan year beginning July 1, 2022 and ending June 30, 2023 ("Plan Year").

How Well Funded Is Your Plan

The law requires the administrator of the Plan to tell you how well the Plan is funded, using a measure called the "funded percentage." The Plan divides its assets by its liabilities on the Valuation Date for the Plan Year to get this percentage. In general, the higher the percentage, the better funded the plan. The Plan's funded percentage for the Plan Year and each of the two preceding Plan Years is shown in the chart below. The chart also states the value of the Plan's assets and liabilities for the same period.

	Funded Percentage		
	2022	2021	2020
Valuation Date	July 1, 2022	July 1, 2021	July 1, 2020
Funded Percentage	5.8%	8.2%	10.3%
Value of Assets	\$29,918,035	\$58,354,778	\$74,977,490
Value of Liabilities	\$513,055,405	\$708,392,817	\$726,593,556

In accordance with Treasury Department guidance, the funded percentage and asset values in the chart above do not reflect the special financial assistance paid to the Plan by the PBGC under the American Rescue Plan Act ("ARPA"). If the amount held in the special financial assistance account (which reflects the remaining portion of the special financial assistance) were to be reflected in the above chart, the funded percentage for the 2022 Plan Year would be 91.1% and the value of assets would be \$467,460,917.

Year-End Fair Market Value of Assets

The asset values in the chart above are measured as of the Valuation Date. They also are "actuarial values." Actuarial values differ from market values in that they do not fluctuate daily based on changes in the stock or other markets. Actuarial values smooth out those fluctuations and can allow for more predictable levels of future contributions. Additionally, the asset values in the chart above do not include the amount of the special financial assistance account, which reflects the remaining portion of the special financial assistance paid to the Plan by the PBGC under the ARPA.

Despite the fluctuations, market values tend to show a clearer picture of a plan's funded status at a given point in time. The asset values in the chart below are year-end market values for the Plan Year and two preceding Plan Years. The asset values in the chart below for the Plan Years ending June 30, 2023 and June 30, 2022 include the amount of the Plan's special financial assistance account.

	June 30, 2023*	June 30, 2022**	June 30, 2021
Fair Market Value of Assets	\$560,696,444*	\$464,409,917**	\$58,354,778

* Based on unaudited information (the Plan's June 30, 2023 audit will not be completed until early 2024).

**The fair market value of assets for the 2022 Plan Year has been restated from the previously published value for such date that was based on unaudited information in order to reflect the final audited value reported in the Plan's Form 5500 for such Plan Year.

Endangered, Critical, or Critical and Declining Status

Under federal pension law, a plan generally is in "endangered" status if its funded percentage is less than 80 percent. A plan is in "critical" status if the funded percentage is less than 65 percent (other factors may also apply). A plan is in "critical and declining" status if it is in critical status and is projected to become insolvent (run out of money to pay benefits) within 15 years (or within 20 years if a special rule applies). If a pension plan enters endangered status, the trustees of the plan are required to adopt a funding improvement plan. Similarly, if a pension plan enters critical status or critical and declining status, the trustees of the plan are required to adopt a rehabilitation plan. Funding improvement and rehabilitation plans establish steps and benchmarks for pension plans to improve their funding status over a specified period of time. The plan sponsor of a plan in critical and declining status may apply for approval to amend the plan to reduce current and future payment obligations to participants and beneficiaries.

Under federal pension law, the Plan was considered to be in critical status in the Plan Year ending June 30, 2023 because the Plan received special financial assistance from the PBGC under ARPA. In an effort to improve the Plan's funding situation, the Trustees adopted a rehabilitation plan on September 16, 2010 with the intent to forestall insolvency of the Plan. The rehabilitation plan, which is expected to last indefinitely, is summarized below. In case of any conflict between this summary and the full rehabilitation plan, the full rehabilitation plan will control. The full text of the rehabilitation plan, any updates to such plan, and the actuarial and financial data that demonstrate any action taken by the Trustees toward fiscal improvement is available by contacting the Fund Office or you may obtain information at www.gaijpt.org.

The rehabilitation plan has two schedules, the Preferred Schedule and the Default Schedule as follows:

Preferred Schedule: This Schedule was available for adoption by the bargaining parties on or before November 12, 2010 and applies to employers who timely adopted the Schedule and their active employees:

- Elimination of all period certain and life annuities, except for participants for whom the normal form of payment is a 5-year or 3-year certain and life annuity.
- Elimination of optional forms of benefit other than the 50% and 75% qualified spouse joint and survivor annuities.
- Elimination of the subsidized portion of the qualified preretirement survivor annuity (QPSA).

- Annual increases in employer contributions commencing on December 1, 2010 for hours worked in November 2010. The annual contribution rate increases under the Preferred Schedule are four annual increases equal to 5% of the November 1, 2010 contribution rates. The 5% increases are effective December 1, 2010, December 1, 2011, December 1, 2012 and December 1, 2013.

Default Schedule: This Schedule applies to participants whose bargaining parties adopt the Default Schedule or on whom the Default Schedule is imposed due to failure to adopt the Preferred Schedule timely and to inactive participants unless their last contributing employer and local union (their bargaining group) adopted the Preferred Schedule by November 12, 2010:

- Elimination of the subsidy on early retirement benefits.
- Elimination of all period certain and life annuities, except for participants for whom the normal form of payment is a 5-year or a 3-year certain and life annuity.
- Elimination of optional forms of benefit other than the 50% and 75% qualified spouse joint and survivor annuities.
- Elimination of the subsidized portion of the qualified preretirement survivor annuity (QPSA).
- Elimination of the Disability Pension.
- Elimination of all other adjustable benefits on all accrued benefits and future benefit accruals to the maximum permitted by law.
- The contribution rate increase under the Default Schedule is a one-time increase equal to 50% of the November 1, 2010 contribution rate.

Since the Plan is in critical status for the Plan Year beginning July 1, 2023, separate notification of that status has or will be provided.

Participant Information

The total number of participants and beneficiaries covered by the Plan on the valuation date was 9,343. Of this number, 536 were current employees, 5,627 were retired and receiving benefits, and 3,180 were retired or no longer working for the employer and have a right to future benefits.

Funding & Investment Policies

Every pension plan must have a procedure to establish a funding policy for plan objectives. A funding policy relates to how much money is needed to pay promised benefits. The funding policy of the Plan is designed to comply with the funding requirements of ERISA and the Internal Revenue Code. These requirements include minimum funding levels and also include maximum limits on the contributions that may be deducted by contributing employers for federal income tax purposes. The Board of Trustees periodically monitors the Plan's funding requirements with the assistance of the Plan's enrolled actuary and the Plan's investment consultant.

Pension plans also have investment policies. These generally are written guidelines or general instructions for making investment management decisions. The investment policy of the Plan is:

	June 30, 2023 Target Allocation
U.S. Large Cap Equity	30%
Intermediate U.S Fixed Income	70%

Under the Plan's investment policy, the Plan's assets were allocated among the following categories of investments, as of the end of the Plan Year. These allocations are percentages of total assets, which include special financial assistance paid to the Plan and earnings thereon:

Alternative 1:

Asset Allocations	Percentage
1. Cash (Interest bearing and non-interest bearing)	3.3
2. U.S. Government securities	
3. Corporate debt instruments (other than employer securities):	
Preferred	
All other	66.7
4. Corporate stocks (other than employer securities):	
Preferred	
Common	
5. Partnership/joint venture interests	0
6. Real estate (other than employer real property)	
7. Loans (other than to participants)	
8. Participant loans	
9. Value of interest in common/collective trusts	30.0
10. Value of interest in pooled separate accounts	
11. Value of interest in 103-12 investment entities	
12. Value of interest in registered investment companies (e.g., mutual funds)	
13. Value of funds held in insurance co. general account (unallocated contracts)	
14. Employer-related investments:	
Employer Securities	
Employer real property	
15. Buildings and other property used in plan operation	
16. Other	

Additionally, under federal law, the special financial assistance the Plan received from the PBGC is required to be kept in a separate account from the rest of the Plan's assets. This separate account must be invested according to special rules and restrictions described in 26 CFR § 4262.14. Permissible investments for the account include investments in certain "return-seeking assets" and investments in certain "investment grade fixed income securities and cash." The terms "return-seeking assets" and "investment grade fixed income securities and cash" have specific definitions that are provided in 26 CFR § 4262.14. If you have any questions or would like more information about the special rules and restrictions that apply to the separate special financial assistance account, please contact the Plan Administrator.

Until the last day of the Plan Year that ends in 2051, Plan assets sufficient to pay for at least 1 year of projected benefit payments and administrative expenses must be invested in investment grade fixed income, subject to certain limitations described in 26 CFR § 4262.14(h).

For information about the Plan's investment in any of the following types of investments—common/collective trusts, pooled separate accounts or 103-12 investment entities – contact Angela Alvey, Graphic Arts Industry Joint Pension Trust, (571) 800-1860, 3040 Williams Dr Ste 640, Fairfax, VA 22031 or jpt@gaijpt.org.

Events Having a Material Effect on Assets or Liabilities

Federal law requires the plan administrator to provide in this notice a written explanation of events, taking effect in the current plan year, which are expected to have a material effect on plan liabilities or assets. Material effect events are occurrences that tend to have a significant impact on a plan's funding condition. An event is material if it, for example, is expected to increase or decrease Total Plan Assets or Plan Liabilities by five percent or more. For the plan year beginning on July 1, 2023 and ending on June 30, 2024, no events are expected to have such an effect.

On May 24, 2022, the Plan received \$440,006,864 from the PBGC's Special Financial Assistance program. On January 11, 2023 the Plan received an additional \$82,163,777 of supplemented special financial assistance from the PBGC. Because the Plan received special financial assistance from the PBGC under the ARPA, the Plan is required to be administered in accordance with conditions described in PBGC regulations. These conditions relate to benefit increases; allocation of plan assets; reductions in employer contribution rates; diversion of contributions to, and allocation of expenses to, other benefit plans; transfers or mergers; and withdrawal liability. Under certain circumstances, a plan may request approval from PBGC for an exception from the conditions relating to benefit increases, reductions in employer contribution rates, transfers or mergers, and withdrawal liability.

Right to Request a Copy of the Annual Report

Pension plans must file annual reports with the US Department of Labor. The report is called the "Form 5500." These reports contain financial and other information. You may obtain an electronic copy of your Plan's annual report by going to www.efast.dol.gov and using the search tool. Annual reports are also available from the US Department of Labor, Employee Benefits Security Administration's Public Disclosure Room at 200 Constitution Avenue, NW, Room N-1513, Washington, DC 20210, or by calling (202) 693-8673. Or you may obtain a copy of the Plan's annual report by making a written request to the plan administrator. Annual reports do not contain personal information, such as the amount of your accrued benefit. You may contact your plan administrator if you want information about your accrued benefits. Your plan administrator is identified below under "Where to Get More Information."

Summary of Rules Governing Insolvent Plans

Federal law has a number of special rules that apply to financially troubled multiemployer plans that become insolvent, either as ongoing plans or plans terminated by mass withdrawal. The plan administrator is required by law to include a summary of these rules in the annual funding notice. A plan is insolvent for a plan year if its available financial resources are not sufficient to pay benefits when due for that plan year. An insolvent plan must reduce benefit payments to the highest level that can be paid from the plan's available resources. If such resources are not enough to pay benefits at the level specified by law (see Benefit Payments Guaranteed by the PBGC, below), the plan must apply to the PBGC for financial assistance. The PBGC will loan the plan the amount necessary to pay benefits at the guaranteed level. Reduced benefits may be restored if the plan's financial condition improves.

A plan that becomes insolvent must provide prompt notice of its status to participants and beneficiaries, contributing employers, labor unions representing participants, and PBGC. In addition, participants and beneficiaries also must receive information regarding whether, and how, their benefits will be reduced or affected, including loss of a lump sum option.

Benefit Payments Guaranteed by the PBGC

The maximum benefit that the PBGC guarantees is set by law. Only benefits that you have earned a right to receive and that cannot be forfeited (called vested benefits) are guaranteed. There are separate insurance programs with different benefit guarantees and other provisions for single-employer plans and multiemployer plans. Your Plan is covered by PBGC's multiemployer program. Specifically, the PBGC guarantees a monthly benefit payment equal to 100 percent of the first \$11 of the Plan's monthly benefit accrual rate, plus 75 percent of the next \$33 of the accrual rate, times each year of credited service. The PBGC's maximum guarantee, therefore, is \$35.75 per month times a participant's years of credited service.

Example 1: If a participant with 10 years of credited service has an accrued monthly benefit of \$600, the accrual rate for purposes of determining the PBGC guarantee would be determined by dividing the monthly benefit by the participant's years of service ($\$600/10$), which equals \$60. The guaranteed amount for a \$60 monthly accrual rate is equal to the sum of \$11 plus \$24.75 ($.75 \times \$33$), or \$35.75. Thus, the participant's guaranteed monthly benefit is \$357.50 ($\35.75×10).

Example 2: If the participant in Example 1 has an accrued monthly benefit of \$200, the accrual rate for purposes of determining the guarantee would be \$20 (or $\$200/10$). The guaranteed amount for a \$20 monthly accrual rate is equal to the sum of \$11 plus \$6.75 ($.75 \times \$9$), or \$17.75. Thus, the participant's guaranteed monthly benefit would be \$177.50 ($\17.75×10).

The PBGC guarantees pension benefits payable at normal retirement age and some early retirement benefits. In addition, the PBGC guarantees qualified preretirement survivor benefits (which are preretirement death benefits payable to the surviving spouse of a participant who dies before starting to receive benefit payments). In calculating a person's monthly payment, the PBGC will disregard any benefit increases that were made under a plan within 60 months before the earlier of the plan's termination or insolvency (or benefits that were in effect for less than 60 months at the time of termination or insolvency). Similarly, the PBGC does not guarantee benefits above the normal retirement benefit, disability benefits not in pay status, or non-pension benefits, such as health insurance, life insurance, death benefits, vacation pay, or severance pay.

For additional information about the PBGC and the pension insurance program guarantees, go to the Multiemployer Page on PBGC's website at www.pbgc.gov/multiemployer. Please contact your employer or plan administrator for specific information about your pension plan or pension benefit. PBGC does not have that information. See "Where to Get More Information About Your Plan," below.

Where to Get More Information

For more information about this notice, you may contact Board of Trustees of the Graphic Arts Industry Joint Pension Trust at 3040 Williams Dr Ste 640, Fairfax, VA 22031, (571) 800-1860, www.gaijpt.org, jpt@gaijpt.org. For identification purposes, the official plan number is 001, the plan sponsor's name is Graphic Arts Industry Joint Pension Trust and employer identification number or "EIN" is 52-1074215.

